REPORT FOR: CABINET

Date of Meeting:	17 July 2014
Subject:	Housing Revenue Account Business Plan Update 2014
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Interim Head of Paid Service and Corporate Director of Community, Health and Wellbeing; Simon George, Director of Finance and Assurance
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing; Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 - Schedule of assumptions Appendix 2 - Operating Account projections Appendix 3 - Major Repairs and Improvements Financing projections Appendix 4 - Performance Information

Section 1 – Summary and Recommendations

This report provides an update to the Housing Revenue Account (HRA) Business Plan approved in June 2013, and highlights the key changes to the underlying assumptions required to reflect the current regulatory and economic climate. The projections reflect the long term aspirations to be achieved through the Business Plan and specifically how the Council intends to maintain and improve its housing stock over a 30 year period and commence the development of new Council housing on housing land that is underutilised.

Recommendations:

Cabinet is requested to approve the HRA Business Plan update 2014

Reason: (For recommendation)

To have in place an agreed 30 year HRA Business Plan for the purposes of long term planning (subject to annual review) and to enable delivery of agreed key housing objectives.

Section 2 – Report

Introduction

1. A full review of Harrow's housing strategies and policies was undertaken in 2013 to take account of the Localism Act 2011 opportunities and to ensure that the Council has consistent and workable policies which operate together to increase the housing options available to the residents of Harrow, ensure that the most vulnerable continue to have priority and access to locally affordable housing and support the continued sustainability of local communities in Harrow.

2. The Housing Business Plan was the final element of this suite of strategies and policies to be approved, and set out how we were intending to continue to support our residents in the difficult economic circumstances at the time, respond to the challenges of welfare reform, and make best use of increased Housing Revenue Account (HRA) financial resources to maintain and improve our existing Council housing stock as well as building new affordable homes.

3. The 30 year HRA Business Plan model has now been updated to reflect the current regulatory and economic climate, and builds on the 2014-15 HRA budget and Medium Term Financial Strategy (MTFS) to 2017-18 approved by cabinet in February 2014.

4. The HRA Business Plan continues to support services across the Council and complement other documents such as the Local Development Framework (LDF) Core Strategy, Economic Development, Delivering Warmer Homes Strategy, and Climate Change Strategies. The availability of good quality affordable housing is fundamental especially to households affected by welfare reform and to other vulnerable groups such as looked after children and vulnerable adults.

5. Consultation has included a report to Tenants Leaseholders and Residents Consultative Forum (TLRCF) on the rental strategy, as well as updates on the grants to move scheme, investment standards, garage strategy and affordable housing programme.

Options considered

6. Various options have been considered with regard to maximising income in the Housing Revenue Account (HRA), how the additional revenue generated through self financing and projected additional income will be spent, making best use of the existing housing stock to meet housing need using grants to tenants, the standards to be adopted governing the improvement works that will be carried out to our housing stock, the option appraisal process for deciding the best use of housing assets and the different ways in which the Council could build new affordable housing. The details of the options considered and rejected are set out in each section below.

HRA Business Plan

7. The HRA business plan update has been developed from the previous business plan approved in June 2013 and the 2014-15 to 2017-18 HRA budget and MTFS approved by Cabinet in February 2014. This update report reflects current thinking about areas such as general inflation, national rental policy, Right-to-Buy (RTB) sales, works cost inflation, and interest rates. A schedule of the assumptions used to construct the business plan is attached as Appendix 1, but it should be noted that changes to the underlying assumptions will impact on the projections.

8. Key changes from the 2013 Business Plan are set out below:

    a. **Increase in Right-to-Buy sales** – the increase in discounts to £100,000 has resulted in sales under RTB being higher than anticipated at the time of the last Business Plan. For the purposes of the 2014-15 budget and MTFS, sales were assumed to be at 35 units per annum, compared with 20 units per annum assumed previously. Actual sales in recent years were nil in 2011-12, 14 properties in 2012-13, and 36 properties in 2013-14.

       For the purposes of the business plan, it has been assumed that sales would remain at 35 per annum for 5 years, dropping to 20 per annum for the following 5 years and 15 per annum thereafter. Sales at these levels do not currently cause the HRA to become unviable, although it must be said that each additional property sold reduces the long term health of the account, and places increasing emphasis on the need to control costs at a level commensurate to stock levels, either by growing the stock under management or be reducing the cost base.

Management and maintenance/investment costs are currently being reviewed with the aim of identifying the fixed and variable elements of these costs to try to analyse cost behaviour. This will enable further modelling to be undertaken to assess the potential impact of stock loss.

b. **Changes in national social rent policy** – the Government has recently confirmed that it will no longer be possible to include a rent convergence element for rent increases after 2014-15, although properties may still be moved to target rent levels on relet, as is the Council's current policy. In addition, future rent increases will be based on the Consumer Prices Index plus 1%, rather than the Retail Prices Index plus 0.5%. The combined impact of this, as set out in the 2014 budget report, is to reduce income within the HRA over the longer term. Due to the decision to increase property values for rent setting purposes in February 2013, and the use of prudent assumptions regarding long-term rent increases in the last version of the business plan, the impact on HRA finances is not as severe as it could have been, and we understand that there is less of an impact (proportionally) on HRA income than is being experienced by some other authorities.

c. **The approved new build programme** of 50 units has been built into the base model, whereas it was modelled as a sensitivity test in the previous business plan. The new build programme was included in the budget in terms of the development costs and the financing of those costs, but the revenue impact was not incorporated at that stage. The business plan contains the full impact of these additional properties, in terms of the additional income and additional management, maintenance and longer term investment costs associated with these new homes.

Further work has recently been carried out to model the new build proposals in more detail following the work PRP Architects have undertaken on out behalf. The modelling suggests that due to a combination of site-specific issues identified during site visits and increasing prices for building works, the cost of the scheme has risen from £6.5m to £8.5m, and this is covered in a separate report on this agenda.

The Government recently announced a bidding round for additional HRA borrowing capacity to support the provision of new affordable housing, and a bid has been submitted for funds to support this scheme. Given that the outcome is currently uncertain, this additional borrowing has not been taken into account in the business plan, and the project is assumed to be funded from within existing resources.

Overall, the net impact of the current new build programme on the business plan is positive in revenue terms. With the development costs being fully-funded, the additional net income arising from these properties strengthens the business plan cash flows and increases capacity to support further new build in later years.

d. Various minor amendments to some of the underlying assumptions

9. The HRA business plan reflects current budget assumptions, and assumes no cessation of services or new services coming on stream, other than the new build development programme. As well as illustrating the relative health of the HRA, the plan provides the framework within which we would expect future budgets to be set, subject to changes in underlying assumptions and/or government or Council policy, and gives an indication of the level of resources likely to be available to deliver new initiatives, build new housing, regenerate estates and potentially repay debt, should this be felt to be an appropriate course of action.

10. We have produced an updated version of the HRA business plan model, taking into account all assumed investment, repairs and management costs required over the next 30 years, assuming compliance with national rent policy, and taking account of an increased level of sales under the Right-to-Buy scheme. The model assumes the commencement of the approved (Cabinet June 2013) new build programme of 50 units starting this financial year, assuming that the majority of the new build units would be let at affordable rents, with the exception of 10 units assumed to be developed for shared-ownership.

11. This is very much being seen as the start of a longer, more ambitious new build programme, and should be viewed in the context of the wider affordable housing programme set out in the Homes for Harrow report on this agenda. It should also be considered in the context of the role new housing could play in helping to deliver the Council's wider regeneration aspirations, and indeed several members of the Housing Management Team have been and continue to be actively involved in the work of the recently formed Regeneration Board to try to shape the regeneration agenda within Harrow.

12. Other than the key changes set out above, assumptions around the main cost drivers are set out below:

a. **Ongoing management cost assumptions** – management costs are assumed to be at the level included in the budget and MTFS to 2017-18 and to continue at that level, as adjusted for inflation thereafter. Costs will be reviewed over time to ensure that our management services provide value for money, and in the context of levels of new housing delivered by the Council or on its behalf, and our aspiration to market our management services. At this stage these costs are assumed to be effectively fixed, and no assumption has been made in respect of varying these costs for changes in stock numbers as a result of RTB sales.

b. **Ongoing revenue maintenance assumptions** – revenue maintenance costs are assumed to be at the level included in the budget and MTFS to 2017-18 and to continue at that level, as adjusted for inflation thereafter. Costs will be reviewed over time to ensure that we continue to provide value for money, and in the context of levels of new housing delivered by the Council or on its behalf. At this stage these costs are assumed to be effectively fixed, and no assumption has been made in respect of varying these costs for changes in stock numbers as a result of RTB sales.

c. **Ongoing investment assumptions** – at this stage the ongoing investment is assumed to be at the level included in the 4-year capital budget to 2017-18, and thereafter is based on what is felt to be a reasonable level of expenditure in the context of the investment plan produced as part of the asset management strategy.

13. An additional factor taken into account in constructing the budget and business plan is the extent to which initiatives undertaken within the HRA can benefit the general fund. Examples of this include the existing new build programme, whereby the development of additional housing will provide a net income stream to the HRA, whilst at the same time easing pressure on homelessness budgets by enabling people on the waiting list to be housed. Additionally, the HRA grants to move scheme helps to free up bed spaces, reduce under occupation and potentially assist those affected by the spare-room subsidy changes, and again., potentially enable people on the waiting list to be housed, thus reducing the use of expensive Bed &Breakfast accommodation to meet short-term housing need.

Key business plan outputs

HRA cumulative revenue balances	
Year 5	£7.664m
Year 10	£13.970m
Year 20	£58.650m
Year 30	£165.174m
Capital resources over 30 years	
RTB receipts – general	£14.7m
RTB receipts – 1-4-1 replacement	£53.9m

14. The projections produced by the updated business plan model show an extremely healthy position, and clearly illustrate the sound position the HRA is in. Over the period of the business plan, the HRA operating account is projected to generate balances in excess of £165m, having provided for management and maintenance of, and significant investment in the existing housing stock. These balances are potentially available for investment in new housing, and subsequent versions of the business plan will incorporate our regeneration and new build proposals as they are further developed, as well as proposals for development of services in line with the wishes of members and those of our tenants.

15. Key issues for early consideration in respect of balances include proposals for regeneration of Grange Farm, and the extent to which this should be funded from reserves, and the possible need for some form of retro-fit programme to meet the Council's Energy Conservation Obligations, which could increase investment costs above the levels currently included.

16. The business plan model is intended to be the basis for modelling alternative scenarios, and as such could be used to illustrate the potential impact of further new build on the HRA, as well a consideration of repaying debt in addition to or in lieu of new housing. As is also indicated above, the model is intended to be a robust representation of the existing business going forward, and to establish the framework within which we would anticipate future HRA budgets being set, and we are recommending that this version of the business plan be approved for this purpose, subject to unavoidable changes in any of the underlying assumptions. This approval does not alter the fact that there will need to be an annual approval of the HRA budget and MTFS for the purposes of rent setting, but is a continuation of the shift towards taking a strategic view of the Council's housing business, and confirmation of the view that future HRA budgets should be set in the context of the long-term requirements of the business plan, and future investment decisions taken with an appreciation of the long-term implications.

Legal implications

17. Councils have general power to operate a range of cash incentive schemes under Section 129 of the 1988 Housing Act and Section 435 of the 1985 Housing Act, as amended by Schedule 18 of the 1996 Housing Act.

Equality duties

Section 149 – of the Equalities Act 2010 created the public sector equality duty. Section149 states:-

(1) A public authority must, in the exercise of its functions, have due regard to the need to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

18. When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups. An Equality Impact Assessment ("EQIA") was completed, consulted on and then finalised for the Housing Strategy, which sets out the key

objectives underpinning the Housing Business Plan and the initiatives set out in this report. Individual EQIAs have been completed for the consultation draft Asset Management Strategy and the Grants to Move scheme which have informed their development.

Financial Implications

19. The Financial implications are contained within the body of the report.

Performance Issues

20. An extract of relevant performance indicators from the Q4 Housing Scorecard 2013-14 is attached at Appendix 4. The updated HRA business plan, if approved is likely to contribute positively towards maintaining and improving performance against several of our key performance indicators in the following ways:

    - The Housing Business Plan provides for investment in service improvements so that we are able to support our residents through the introduction of various welfare reform initiatives which will disproportionately affect them;

    - We have sufficient capital investment to ensure our housing stock meets enhanced Decent Homes standards and we have secured funding to help improve energy efficiency and reduce fuel poverty in targeted areas of private sector dwellings;

    - Building new affordable homes and providing grants to move will provide additional housing options for people in priority housing need and contribute to homelessness prevention and managing the predicted growth in homelessness costs.

21. Going forward, new indicators may be introduced to enable monitoring of new initiatives, such as progress on delivery of new Council and/or affordable homes, to ensure that service delivery is in accordance with projected outcomes and mitigating actions are implemented where necessary.

Environmental Impact

22. The Housing Business Plan has a positive impact and contributes to the Council's Climate Change Strategy and Delivering Warmer Homes strategy through:

    - Improving energy efficiency and reducing CO_2 in the Council's housing stock. The Housing Business Plan includes investment that will improve the energy efficiency of the Council's housing stock, and has funds available to support the delivery of a programme of solid-wall insulation, in conjunction with the funds received from D.E.C.C for private-sector works, should this prove feasible.

- New affordable homes will be required to achieve a minimum of level 4 of the Sustainable Building Code.

- Other environmental improvements often included in new affordable housing developments or retrofitting of existing social housing include: provision of green roofs, solar thermal hot water systems to meet the target for use of renewable resources and resulting reduction in C02 emissions, improved biodiversity as a result of increased tree planting and landscaped communal open spaces, provision of Sustainable Urban Drainage Systems, and green travel plans to encourage use of public transport and walking.

Risk Management Implications

23. Risk included on Directorate risk register? Yes

24. Separate risk register in place? Yes

25. The key risks are referenced in the main body of the report.

Equalities implications

26. The equality impacts in relation to the Housing Business Plan were considered in the February 2013 Cabinet report which approved the HRA budget for 2013/14. The approved policy changes were considered to have an overall positive impact on protected groups.

27. The Housing Strategy EQIA informed the development and adoption of the key objectives which underpin the Housing Business Plan. The provision of additional housing options through the grants to move scheme and the development of additional affordable housing has an overall positive impact on a number of protected characteristics.

Council Priorities

28. This report incorporates the following council priorities:

    Making a difference for the vulnerable – through providing support in finding appropriate affordable housing solutions to meet need, and developing new housing to meet future assessed need.

    Making a difference for communities – through engaging residents in decisions around regeneration of estates and the wider communities, and delivering housing that people want to live in, in areas they are proud to call home.

    Making a difference for local businesses – through supporting the council-wide regeneration agenda, and maximising the contribution that new housing can make towards delivering the regeneration vision and objectives.

Making a difference for families – through providing good quality housing and safe neighbourhoods, and targeting our resources as best we can so that families can feel the full benefits of economic growth. Our priority for every family is to ensure that they can live in a neighbourhood which has a real sense of community, in a house they can be proud to call their home.

Section 3 - Statutory Officer Clearance

Name: Simon George Date: 1 July 2014	x	Chief Financial Officer
Name: Ian Goldsmith Date: 1 July 2014	x	on behalf of the Monitoring Officer

Section 4 – Performance Officer Clearance

Name: Jonathan Kilworth Date: 1 July 2014	x	on behalf of the Divisional Director Strategic Commissioning

Section 5 – Environmental Impact Officer Clearance

Name: Hanif Islam Date: 2 July 2014	x	on behalf of the Corporate Director (Environment & Enterprise)

Ward Councillors notified:	**NO**

Section 6 - Contact Details and Background Papers

Contact:

Dave Roberts, Finance Business Partner for Housing,
Tel 020 8420 9678 or email dave.roberts@harrow.gov.uk;

Background Papers:
None.

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE *[Call-in applies]*

Housing Revenue Account business plan assumptions schedule	
General inflation	2% throughout
Average rent 2014-15	£112.52
Rent increases	Per rent model and in line with revised national rent policy No rent convergence increase CPI + 1% increase Relets at target rent
Voids	In line with budget assumptions
Bad Debt Provision	2014-15 £400k (£300k 2013-14) 2015-16 and thereafter c.£300k
Tenanted service charges	Per rent model: 2014-15 Average £2.85 per week Inflated at CPI + 1%
Leasehold service charges	2014-15 Average £7.49 per week Inflation plus 2% to year 4 Thereafter at inflation-only
Facilities charges	£561,841 pa 2014-15 Inflation + 2.5% to 2017-18 (per budget – in line with assumed increases in costs) Inflation only therafter
Garage rents	£370,500 pa No Inflation assumed (per budget - pending outcome of garage strategy review)
Shops	£255,000 pa No inflation currently assumed (per budget)
Halls	£85,602 pa 2014-15 Inflation plus 2% to 2017-18 Inflation only thereafter
RTB sales	35 per annum to year 5 20 per annum years 6 – 10 15 per annum thereafter No assumed use of RTB receipts in base model except for funding new build.
Other disposals of stock	None currently assumed
Management costs	In line with budget assumptions Inflation in line with budget to 2017-18, Inflation only thereafter Cost not currently assumed to have any significant variable element
Investment in services budget	Majority of this now contained in base cost assumptions Remainder assumed one-off costs in line with budget and previous business plan, in the region of £200k pa to 2018-19 Assumed cash budgets therefore no inflation
SSCs	£3,440k 2014-15 Inflation assumed in line with management costs
Contingency budget	2014-15 £236k Inflation assumed in line with management costs

Housing Revenue Account business plan assumptions schedule	
Rent rebate subsidy limitation	Nil – Limit rent now set to target level so this should no longer apply unless our average rents exceed target rent levels
Depreciation	2013-14 £6,565k Varies with stock numbers Inflation minus 1% throughout NB – this assumption will have a neutral impact on resources as it is a transfer to the Major Repairs Reserve used to fund capital expenditure.
Capital investment expenditure	In line with the 4-year capital budget to 2017-18, including provision for new initiatives such as grants to move. In excess of £8,500k per annum thereafter Inflation only Costs not currently assumed to have any variable element
Revenue repairs expenditure	In line with budget to 2017-18 £6,840k per annum thereafter Inflation only Costs not currently assumed to have any variable element
New Build	50 units on HRA infill and garage sites by end of 2015-16 40 for affordable rent 10 shared ownership Estimated build cost of £8.5m Currently assumed funded from existing resources, including RTB receipts, affordable housing pot, grant and revenue contributions.
Capital Financing	Mainly MRR and RCCO Some s20 receipts in first four years Capital programme fully financed
HRA working balance	Assumed minimum requirement £2,000k in 2014-15 Inflated at RPI only Not adjust for stock numbers Minimum balance exceeded throughout period of business plan
HRA debt	£149.6m – assumed constant throughout
Interest rate	4.2978% - assumed constant throughout
Interest on balances	0.73% to 2017-18, 1% thereafter

Harrow Council
HRA Business Plan
Operating Account

		Income					Expenditure												
Year	Year	Net rent Income	Other income	Misc Income	Right to Buy Admin	Total Income	Managt.	Depreciation	Responsive & Cyclical	Other Revenue spend	Misc expenses	Total expenses	Capital Charges	**Net Operating (Expenditure)**	Revenue Contribution to Capital	**Surplus (Deficit) for the Year**	**Surplus (Deficit) b/fwd**	**Interest**	**Surplus (Deficit) c/fwd**
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**	£,000	**£,000**	**£,000**	**£,000**	**£,000**
1	2014.15	29,299	1,273	994	100	31,666	(10,743)	(6,548)	(6,448)	(191)	(263)	(24,192)	(6,419)	**1,055**	0	**1,055**	**3,533**	**40**	**4,627**
2	2015.16	30,213	1,315	1,003	100	32,632	(10,939)	(6,600)	(6,588)	(203)	(166)	(24,497)	(6,384)	**1,751**	(514)	**1,238**	**4,627**	**39**	**5,904**
3	2016.17	31,027	1,360	1,013	100	33,499	(11,140)	(6,652)	(6,742)	(215)	(169)	(24,918)	(6,370)	**2,211**	(1,872)	**339**	**5,904**	**46**	**6,290**
4	2017.18	31,675	1,405	1,022	100	34,202	(11,362)	(6,671)	(6,879)	(228)	(173)	(25,313)	(6,380)	**2,509**	(2,437)	**72**	**6,290**	**51**	**6,413**
5	2018.19	32,409	1,434	1,031	100	34,973	(11,584)	(6,689)	(7,017)	(242)	(176)	(25,708)	(6,638)	**2,628**	(1,451)	**1,177**	**6,413**	**74**	**7,664**
6	2019.20	33,207	1,462	1,041	57	35,767	(11,812)	(6,708)	(7,157)	(256)	(180)	(26,112)	(6,370)	**3,284**	(2,771)	**514**	**7,664**	**79**	**8,257**
7	2020.21	34,073	1,491	1,051	57	36,672	(12,045)	(6,747)	(7,300)	(271)	(183)	(26,547)	(6,370)	**3,755**	(2,922)	**833**	**8,257**	**87**	**9,177**
8	2021.22	34,961	1,521	1,061	57	37,600	(12,283)	(6,786)	(7,447)	(288)	(187)	(26,990)	(6,370)	**4,240**	(3,077)	**1,163**	**9,177**	**98**	**10,438**
9	2022.23	35,870	1,552	1,071	57	38,550	(12,525)	(6,825)	(7,596)	(305)	(191)	(27,441)	(6,370)	**4,739**	(3,236)	**1,503**	**10,438**	**112**	**12,053**
10	2023.24	36,800	1,583	1,082	57	39,522	(12,772)	(6,864)	(7,748)	(323)	(195)	(27,902)	(6,370)	**5,249**	(3,461)	**1,788**	**12,053**	**129**	**13,970**
11	2024.25	37,772	1,614	1,093	43	40,521	(13,025)	(6,903)	(7,903)	(343)	(199)	(28,372)	(6,370)	**5,779**	(3,629)	**2,150**	**13,970**	**150**	**16,270**
12	2025.26	38,787	1,647	1,103	43	41,580	(13,283)	(6,950)	(8,061)	(363)	(203)	(28,860)	(6,370)	**6,350**	(3,794)	**2,556**	**16,270**	**175**	**19,002**
13	2026.27	39,828	1,680	1,115	43	42,665	(13,546)	(6,997)	(8,222)	(385)	(207)	(29,357)	(6,370)	**6,938**	(3,962)	**2,976**	**19,002**	**205**	**22,183**
14	2027.28	40,897	1,713	1,126	43	43,779	(13,814)	(7,045)	(8,387)	(408)	(211)	(29,864)	(6,370)	**7,544**	(4,134)	**3,410**	**22,183**	**239**	**25,832**
15	2028.29	41,993	1,747	1,138	43	44,921	(14,087)	(7,092)	(8,554)	(433)	(215)	(30,382)	(6,370)	**8,169**	(4,311)	**3,858**	**25,832**	**278**	**29,967**
16	2029.30	43,118	1,782	1,149	43	46,092	(14,366)	(7,140)	(8,725)	(458)	(219)	(30,910)	(6,370)	**8,812**	(4,492)	**4,320**	**29,967**	**321**	**34,609**
17	2030.31	44,272	1,818	1,161	43	47,294	(14,651)	(7,188)	(8,900)	(486)	(224)	(31,449)	(6,370)	**9,475**	(4,677)	**4,798**	**34,609**	**370**	**39,777**
18	2031.32	45,456	1,854	1,174	43	48,527	(14,941)	(7,237)	(9,078)	(515)	(228)	(31,999)	(6,370)	**10,157**	(4,866)	**5,291**	**39,777**	**424**	**45,492**
19	2032.33	46,670	1,891	1,186	43	49,791	(15,237)	(7,285)	(9,260)	(546)	(233)	(32,560)	(6,370)	**10,860**	(5,061)	**5,800**	**45,492**	**484**	**51,776**
20	2033.34	47,916	1,929	1,199	43	51,088	(15,539)	(7,334)	(9,445)	(579)	(237)	(33,133)	(6,370)	**11,584**	(5,259)	**6,325**	**51,776**	**549**	**58,650**
21	2034.35	49,195	1,968	1,212	43	52,418	(15,846)	(7,383)	(9,634)	(614)	(242)	(33,719)	(6,370)	**12,329**	(5,463)	**6,866**	**58,650**	**621**	**66,137**
22	2035.36	50,506	2,007	1,226	43	53,782	(16,160)	(7,432)	(9,826)	(650)	(247)	(34,316)	(6,370)	**13,096**	(5,671)	**7,425**	**66,137**	**698**	**74,260**
23	2036.37	51,852	2,047	1,239	43	55,181	(16,480)	(7,482)	(10,023)	(689)	(252)	(34,926)	(6,370)	**13,885**	(5,884)	**8,001**	**74,260**	**783**	**83,043**
24	2037.38	53,232	2,088	1,253	43	56,616	(16,806)	(7,532)	(10,223)	(731)	(257)	(35,549)	(6,370)	**14,697**	(6,102)	**8,595**	**83,043**	**873**	**92,512**
25	2038.39	54,648	2,130	1,267	43	58,088	(17,139)	(7,582)	(10,428)	(775)	(262)	(36,185)	(6,370)	**15,532**	(6,325)	**9,207**	**92,512**	**971**	**102,690**
26	2039.40	56,101	2,173	1,282	43	59,598	(17,479)	(7,632)	(10,636)	(821)	(267)	(36,835)	(6,370)	**16,392**	(6,554)	**9,839**	**102,690**	**1,076**	**113,605**
27	2040.41	57,591	2,216	1,296	43	61,146	(17,825)	(7,683)	(10,849)	(870)	(273)	(37,499)	(6,370)	**17,277**	(6,787)	**10,489**	**113,605**	**1,188**	**125,283**
28	2041.42	59,120	2,261	1,311	43	62,735	(18,178)	(7,734)	(11,066)	(923)	(278)	(38,178)	(6,370)	**18,186**	(7,027)	**11,160**	**125,283**	**1,309**	**137,751**
29	2042.43	60,688	2,306	1,327	43	64,363	(18,538)	(7,785)	(11,287)	(978)	(284)	(38,871)	(6,370)	**19,122**	(7,271)	**11,851**	**137,751**	**1,437**	**151,038**
30	2043.44	62,297	2,352	1,342	43	66,034	(18,905)	(7,836)	(11,513)	(1,037)	(289)	(39,580)	(6,370)	**20,084**	(7,522)	**12,562**	**151,038**	**1,573**	**165,174**

Appendix 3

Harrow Council
HRA Business Plan
Major Repairs and Improvements Financing

						Financing					
Year	Year	Future Major Repairs	Disabled Adaptations	New Build Development Costs	Total Expenditure	Borrowing	Right to Buy Receipts	Other	Major Repairs Reserve	Revenue Contributio n to Capital	Total Financing
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2014.15	6,912	615	3,250	10,777	0	986	991	8,800	0	10,777
2	2015.16	7,212	615	3,315	11,142	0	1,312	2,520	6,797	514	11,142
3	2016.17	7,797	615	0	8,412	0	327	30	6,183	1,872	8,412
4	2017.18	8,524	615	0	9,139	0	337	30	6,335	2,437	9,139
5	2018.19	8,695	627	0	9,322	0	347	30	7,494	1,451	9,322
6	2019.20	8,868	640	0	9,508	0	0	30	6,708	2,771	9,508
7	2020.21	9,046	653	0	9,699	0	0	30	6,747	2,922	9,699
8	2021.22	9,227	666	0	9,892	0	0	30	6,786	3,077	9,892
9	2022.23	9,411	679	0	10,090	0	0	30	6,825	3,236	10,090
10	2023.24	9,663	693	0	10,355	0	0	30	6,864	3,461	10,355
11	2024.25	9,856	706	0	10,563	0	0	30	6,903	3,629	10,563
12	2025.26	10,053	721	0	10,774	0	0	30	6,950	3,794	10,774
13	2026.27	10,254	735	0	10,989	0	0	30	6,997	3,962	10,989
14	2027.28	10,459	750	0	11,209	0	0	30	7,045	4,134	11,209
15	2028.29	10,669	765	0	11,433	0	0	30	7,092	4,311	11,433
16	2029.30	10,882	780	0	11,662	0	0	30	7,140	4,492	11,662
17	2030.31	11,100	796	0	11,895	0	0	30	7,188	4,677	11,895
18	2031.32	11,322	811	0	12,133	0	0	30	7,237	4,866	12,133
19	2032.33	11,548	828	0	12,376	0	0	30	7,285	5,061	12,376
20	2033.34	11,779	844	0	12,623	0	0	30	7,334	5,259	12,623
21	2034.35	12,015	861	0	12,876	0	0	30	7,383	5,463	12,876
22	2035.36	12,255	878	0	13,133	0	0	30	7,432	5,671	13,133
23	2036.37	12,500	896	0	13,396	0	0	30	7,482	5,884	13,396
24	2037.38	12,750	914	0	13,664	0	0	30	7,532	6,102	13,664
25	2038.39	13,005	932	0	13,937	0	0	30	7,582	6,325	13,937
26	2039.40	13,265	951	0	14,216	0	0	30	7,632	6,554	14,216
27	2040.41	13,530	970	0	14,500	0	0	30	7,683	6,787	14,500
28	2041.42	13,801	989	0	14,790	0	0	30	7,734	7,027	14,790
29	2042.43	14,077	1,009	0	15,086	0	0	30	7,785	7,271	15,086
30	2043.44	14,359	1,029	0	15,388	0	0	30	7,836	7,522	15,388
	Totals	324,833	23,582	6,565	354,980	-	3,308	4,351	216,791	130,530	354,980

Appendix 4

Housing Scorecard 2013-14						
Indicator (cumulative for the year unless stated otherwise)	**March actual**	**Red Amber Green**	**direction of travel**	**Q4 / year end target**	**Current Assessment**	**Likelihood of change**
Voids						
Average time taken to re-let LA housing (days) (excludes times taken for major works) - per quarter **[VFM PI]**	**20.4** (for Q4)	**HR**	↓	18	Void turnaround time has nearly halved since 12-13, with a cummulative outturn for the year of 19 days. Q4 dipped because of problems over the Christmas period. New processes are now embedded and we should meet targets in 14-15.	Improvement expected
Resident Services						
LA rent collection and arrears: proportion of rent collected. (includes current tenant arrears b/f)	**98.72%**	**HG**		97.0%	Which is in top quartile performance , in spite of welfare changes and a difficult financial climate	No change expected
Current tenants arrears (£k)	**459**	A	↑	450	Outturn £9k over target with approximately £40k attributable to spare room subsidy impact. Although showing amber, outturn displays a high level of performance inspite of welfare reforms.	Deterioration expected as a result of welfare reform - challenge is to prevent this occurring.
Asset Management						
Repairs completed in Target Time - Priority 1 - emergency	**96%**	**LG**	↓	96%	Targets met for all three priorities. Direction of travel is a result of bad weather / storms earlier in the year	Minimal change expected, though expectation is to at least maintain status quo.
Repairs completed in Target Time - Priority 2 - urgent	**96%**	**LG**	↓	96%		
Repairs completed in Target Time - Priority 3 - non urgent	**98.60%**	**LG**	↓	96%		
% of repairs completed at first visit	**98.70%**	**HG**	↓	90%	targets met - no concerns	No change expected
% of properties with current gas servicing certificates (CP12)	**99.62%**	A	↓	100%	on track - no immediate concerns - some no access issues remaining with 14 cases without a certificate. All of these cases are within legal process	Improvement expected
Access Harrow Job recalls as a % of new requests for repair	**3.8%**	**HG**	↔	5%	Massive sustained improvement since this time last year	No change expected
Council adaptations: average time from assessment to completion of work (weeks) quarterly performance	**16**	**HG**	↑	33	Strong performance in delivery times maintained	No change expected
DFGs: average time taken from assessment to DFG approval date (weeks) quarterly performance	**12**	**HG**	↔	30	Strong performance in delivery times maintained	No change expected
Housing Needs						
Number of cases where positive action is taken to prevent homelessness	**1549**	**HG**	↑	1250	We are still being very successful in preventing homelessness - a 50% increase on 12-13	Increase in volume likely as a result of welfare reform.
Total no of households to whom we have accepted a full homeless housing duty (eligible and priority need)	**180**	**HR**	↓	160	We anticipated an increase due to Welfare Reform and the overheated housing market.	Deterioration expected as a result of welfare reform - challenge is to provide suitable accommodation.
No of households making homeless applications (requiring an assessment / decision)	**2269**	-	-	-	For information.	Deterioration expected as a result of welfare reform - challenge is to provide appropriate advice to prevent homelessness occurring.
No of households in B&B at end of quarter - snapshot (P1E)	**108**	**LR**	↓	100	B&B fluctuating daily around 100. Our priority is to move the most expensive (large) families first, along with those in shared accommodation over 6 weeks.	Improvement expected
Total no of households we housed in the Private Rented Sector (incl private sector leasing/Help2Let) (Pt 7 & prevention)	**307**	**HR**	↑	350	We set ourselves a challenging target of 350 which we haven't met because of the difficulties of procurement early in the financial year. Our procurement has improved considerably and we obtained 189 properies in the last 2 quarters exceeding the quarterly targets. Our overall performance was over 20% higher than 12-13.	Improvement expected
New Housing Initiatives						
Number of affordable homes delivered (gross)	**95**	**LG**	↑	*95*	Revised year end target met. Revision due to slippage of one scheme into 2014/15	Improvement expected
no of affordable family sized rented homes completed	**8**	**LG**	↔	*8*	Year end target met	Improvement expected
No of private sector properties brought back into use, using Council, West London and HCA grant funds	**51**	**HG**	↑	45	Year end target exceeded.	Potential improvement
Total no of social housing homes freed up - grants2move (including all downsizing)	**50**	-	↑	baseline	12 underoccupation contribution and 6 private rented sector moves	Improvement expected